STELLENT INC
Form DEF 14A
July 02, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant x
Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement
o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
x Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

STELLENT, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.
o Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

STELLENT, INC.

7777 Golden Triangle Drive
Eden Prairie, Minnesota 55344
(952) 903-2000

July 7, 2004

Dear Shareholder:

You are cordially invited to attend the Annual Meeting of Shareholders of Stellent, Inc. to be held at the Marriott Southwest Hotel, 5801 Opus Parkway, Minnetonka, Minnesota 55343, commencing at 3:30 p.m., Central Daylight Time, on Wednesday, August 11, 2004.

The Secretary s Notice of Annual Meeting and the Proxy Statement that follow describe the matters to come before the meeting. During the meeting, we will also review the activities of the past year and items of general interest regarding the Company.

We hope that you will be able to attend the meeting in person and we look forward to seeing you. Please mark, date and sign the enclosed proxy and return it in the accompanying envelope, or vote the enclosed proxy by telephone or through the Internet in accordance with the voting instructions set forth on the enclosed proxy card, as quickly as possible, even if you plan to attend the meeting. If you later desire to revoke the proxy, you may do so at any time before it is exercised.

Sincerely,

Robert F. Olson
Chairman of the Board,
Chief Executive Officer and President

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VOTING METHOD

The accompanying Proxy Statement describes important issues affecting Stellent, Inc. If you are a shareholder of record, you have the right to vote your shares through the Internet, by telephone or by mail. You may also revoke your Proxy any time before the Annual Meeting. Please help us save time and postage costs by voting through the Internet or by telephone. Each method is generally available 24 hours a day and will ensure that your vote is confirmed and posted immediately. To vote:

1. BY TELEPHONE

a. On a touch-tone telephone, call toll-free 1-800-560-1965, 24 hours a day, seven days a week, until 12 p.m. (noon) CT on August 10, 2004.

b. You will be prompted to enter information from your proxy card and the last four digits of the U.S. Social Security Number or Tax Identification Number for this account. If you do not have a U.S. Social Security Number or Tax Identification Number, please enter four zeros.

c. Follow the simple instructions provided.

2. BY INTERNET

a. Go to the web site at http://www.eproxy.com/stel/, 24 hours a day, seven days a week, until 12 p.m. (noon) CT on August 10, 2004.

b. You will be prompted to enter information from your proxy card and the last four digits of the U.S. Social Security Number or Tax Identification Number for this account to obtain your records and create an electronic ballot. If you do not have a U.S. Social Security

Number or Tax Identification Number, please leave blank.

c. Follow the simple instructions provided.

3. BY MAIL (If you vote by telephone or Internet, please do not mail your proxy card.)

a. Mark, sign and date your proxy card.

b. Return it in the enclosed postage-paid envelope or return it to Stellent, Inc., c/o Shareowner Services™, P.O. Box 64873, St. Paul, MN 55164-0873.

If your shares are held in the name of a bank, broker or other holder of record, you will receive instructions from the holder of record that you must follow in order for your shares to be voted.

Your vote is important. Thank you for voting.

STELLENT, INC.

7777 Golden Triangle Drive
Eden Prairie, Minnesota 55344

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO THE SHAREHOLDERS OF STELLENT, INC.:

Please take notice that the Annual Meeting of Shareholders of Stellent, Inc. will be held, pursuant to due call by the Board of Directors of the Company, at the Marriott Southwest Hotel, 5801 Opus Parkway, Minnetonka, Minnesota 55343 at 3:30 p.m. on Wednesday, August 11, 2004, or at any adjournment or adjournments thereof, for the purpose of considering and taking appropriate action with respect to the following:

1. To elect six directors.

2. To approve the amendment and restatement of the Stellent, Inc. 1997 Director Stock Option Plan to increase the aggregate number of shares of common stock authorized for issuance under such plan by 200,000 shares.

3. To ratify the appointment of Grant Thornton LLP as independent auditors of the Company for the fiscal year ending March 31, 2005.

4. To transact any other business as may properly come before the meeting or any adjournments thereof.

Pursuant to due action of the Board of Directors, shareholders of record on June 25, 2004, will be entitled to vote at the meeting or any adjournments thereof.

YOUR PROXY IS IMPORTANT TO ENSURE A QUORUM AT THE MEETING. EVEN IF YOU OWN ONLY A FEW SHARES, AND WHETHER OR NOT YOU EXPECT TO BE PRESENT, YOU ARE REQUESTED TO DATE, SIGN AND MAIL THE ENCLOSED PROXY IN THE POSTAGE-PAID ENVELOPE THAT IS PROVIDED, OR VOTE THE ENCLOSED PROXY BY TELEPHONE OR THROUGH THE INTERNET IN ACCORDANCE WITH THE VOTING INSTRUCTIONS SET FORTH IN THE ENCLOSED PROXY CARD. THE PROXY MAY BE REVOKED BY YOU AT ANY TIME PRIOR TO BEING EXERCISED, AND RETURNING YOUR PROXY OR VOTING YOUR PROXY BY TELEPHONE OF THROUGH THE INTERNET WILL NOT AFFECT YOUR RIGHT TO VOTE IN PERSON IF YOU ATTEND THE MEETING AND REVOKE THE PROXY.

By Order of the Board of Directors

STELLENT, INC.

Gregg A. Waldon
Executive Vice President,
Chief Financial Officer,
Treasurer and Secretary

Dated: July 7, 2004

PROXY STATEMENT

OF
STELLENT, INC.
7777 Golden Triangle Drive
Eden Prairie, Minnesota 55344

Annual Meeting of Shareholders to be Held
Wednesday, August 11, 2004

INTRODUCTION

The Board of Directors of Stellent, Inc. (the Company) furnishes this Proxy Statement in connection with its solicitation of proxies for use at the Annual Meeting of the Shareholders to be held at the Marriott Southwest Hotel, 5801 Opus Parkway, Minnetonka, Minnesota 55343 on August 11, 2004 at 3:30 p.m., or at any adjournment or adjournments thereof.

All shares represented by properly authorized proxies received in time will be voted at the meeting and, where the manner of voting is specified on the proxy, will be voted in accordance with such specifications. Shares represented by properly authorized proxies on which no specification has been made will be voted (i) for the election of the nominees for director named herein and (ii) in favor of approval of the amendment and restatement of the 1997 Director Stock Plan and (iii) in favor of ratification of Grant Thornton LLP as the Company s independent auditors for the fiscal year ending March 31, 2005, and will be deemed to grant discretionary authority to vote upon any other matters properly coming before the meeting. Proxies cannot be voted for a greater number of persons than the number of nominees named.

Any shareholder who executes and returns a proxy may revoke it at any time prior to the voting of the proxies by giving written notice to the Secretary of the Company, by executing a later-dated proxy, or by attending the meeting and giving oral notice to the Secretary of the Company.

The affirmative vote of the holders of a majority of the outstanding shares of common stock of the Company present and entitled to vote is required for the election of each nominee to the Board of Directors of the Company (the Board) and for approval of each proposal included in this Proxy Statement. For this purpose, a shareholder who abstains with respect to a proposal is considered to be present and entitled to vote on such proposal at the meeting and is in effect casting a negative vote, but a shareholder (including a broker) who does not give authority to a proxy to vote, or withholds authority to vote, on a proposal shall not be considered present and entitled to vote on such proposal.

The Board has fixed the close of business on June 25, 2004 (the Record Date) as the date for determining the holders of outstanding shares of its common stock entitled to notice of, and to vote at, the meeting. On that date, there were 26,595,168 shares of the Company s common stock issued and outstanding. Each such share of common stock is entitled to one vote at the meeting. The Notice of Annual Meeting, this Proxy Statement and the form of proxy are being mailed to shareholders of the Company on or about July 7, 2004.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

Six directors are to be elected at the meeting, each director to hold office until the next Annual Meeting of Shareholders, or until his successor is elected and qualified. All of the persons listed below are now serving as directors of the Company. All of the persons listed below have consented to serve as a director, if elected. Proxies solicited by the Board will, unless otherwise directed, be voted to elect the six nominees named below to constitute the entire Board. The Nominating Committee proposed to the Board for election the nominees listed below:

ROBERT F. OLSON, age 48, founded our business and has served as the Chairman of the Board of the Company and the predecessor company continuously since 1990. He also served as our Chief Executive Officer from October 2000 to July 2001, and as our President and Chief Executive Officer from 1990 to October 2000 and since April 2003. From 1987 to 1990, he served as the General Manager of the Greatway Communications Division of Anderberg-Lund Printing Company, an electronic publishing sales and service organization. Prior to that time, Mr. Olson held management and marketing positions in several electronic publishing service organizations.

KENNETH H. HOLEC, age 49, has served as a director of the Company since February 1998. Mr. Holec has served as a Managing Principle of Triple Tree, LLC an investment banking firm, since September 2003. He served as the interim President and Chief Executive Officer of PeopleClick, Inc., a provider of enterprise-class workforce management solutions to manage employees, from January 2002 through April 2003. Mr. Holec served as President and Chief Executive Officer of ShowCase Corporation, a supplier of data warehousing systems, from November 1993 to February 2001. From 1985 to 1993, he served as President and Chief Executive Officer of Lawson Associates, Inc., a developer of financial and human resource management software products. Mr. Holec is also a director of SPSS Inc.

ALAN B. MENKES, age 45, has served as a director since May 2004. Since March 2002, Mr. Menkes has been the Managing Partner of Empeiria Capital, a private equity investing firm. From December 1998 through March 2002, he was a Partner of Thomas Weisel Partners, a merchant banking firm, serving as Co-Director of Private Equity and a member of Thomas Weisel s Executive Committee. Previously, Mr. Menkes was a Partner with Hicks, Muse, Tate & Furst, where he was employed from 1992 to 1998.

PHILIP E. SORAN, age 48, has served as a director since April 2003. He has served as the President and Chief Executive Officer of Compellent Technologies, Inc., a network strategy company, since March 2002. From July 1995 through August 2001, Mr. Soran served as President and Chief Executive Officer of XIOtech Corporation, a provider of network storage solutions. XIOtech Corporation was acquired by Seagate Technology in January 2000, at which time it became a wholly owned subsidiary of Seagate.

RAYMOND A. TUCKER, age 59, has served as a director of the Company since November 2001. He served as Senior Vice President and Chief Financial Officer for H.B. Fuller Company, a manufacturer of adhesives, sealants, and coatings, from June 1999 through his retirement in June 2003. Mr. Tucker was previously employed with Bayer Corporation, a global provider of a wide range of products including pharmaceuticals, diagnostics, health care products, agricultural products and chemicals, serving as their Senior Vice President of Inorganic Chemicals NAFTA from 1997 to 1999; its Vice President of Finance and Administration for the Industrial Chemicals Division from 1992 to 1997; its Business Director of Enamels and Ceramics from 1989 to 1991; its Business Manager of Inorganic Chemicals from 1987 to 1988 and its Controller and Manager of Administration for the Industrial Chemicals Division from 1978 to 1986.

STEVEN C. WALDRON, age 56, has served as a director of the Company since February 1998. He has served as Chief Executive Officer of Pinnacle Energy, a provider of alternative energy, since September 2002. He served as President and Chief Executive Officer of SPS Commerce, Inc., a provider of e-commerce software and transaction processing services, from November 1997 to March 2001. From 1992 to March 1995, he was President of Innovex, Inc., a diversified technology company. Prior to that time, Mr. Waldron served as President and Chief Executive Officer of Norstan, Inc., a supplier of telecommunications hardware and software.

None of the above nominees is related to any other nominee or to any executive officer of the Company.

If any nominee should withdraw or otherwise become unavailable for reasons not presently known, the proxies that would have otherwise been voted for such nominee will be voted for such substitute nominee as may be selected by the Board.

The Board and its Committees

The Board met eight times and took action, by written action in lieu of a meeting, twice during the year ended March 31, 2004.

During the year ended March 31, 2004, each director attended 100% of the meetings of the Board and Board committees on which he serves.

Director Compensation

Members of the Board who are not employees of the Company are eligible to receive stock option grants under the Company s 1997 Director Stock Option Plan. Options to purchase 20,000 shares of the Company s common stock were granted to Mr. Soran under the plan during the fiscal year ended March 31, 2004.

Effective June 2, 2004 the Board established a director compensation policy under which each member of the Board who is not an employee of the Company will receive on an annual basis $35,000 in cash and the grant of an option to purchase 10,000 shares of common stock of the Company, subject to the availability of such shares under the applicable stock option plans of the Company. The Chair of the Audit Committee will receive an additional $15,000 in cash annually and each Chair of each other committee will receive an additional $7,500 in cash annually.

Security Holder Communications with Directors

Security holders of the Company may communicate with any director in writing by mail addressed to the headquarters of the Company to the attention of the director by name, title or to any Board member generally. Except for suspicious mail, mail received by the Company addressed to the attention of a director by name or title will be forwarded, unopened, to that director.

Suspicious mail received by the Company that is addressed to the attention of a director may be segregated by the Company and investigated by the Company or appropriate private or government agencies. Suspicious mail that eventually is determined to be benign and that is addressed to the attention of a director by name or title will be forwarded to that director.

Mail received by the Company addressed to the attention of any Board member generally, without specifying a director by name or title, will be forwarded by the Company unopened to the Chairman of the Board.

All directors are encouraged to attend the Annual Meeting of the Company s shareholders. All directors at the time of the 2003 Annual Meeting of the Company s shareholders attended that meeting.

Board Committees

The Board has an Audit Committee, established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended, a Compensation Committee and a Corporate Governance and Nominating Committee. Following is a description of the functions performed by these committees.

Audit Committee

In accordance with its Charter, the Company s Audit Committee consists of at least three independent non-employee directors. The Audit Committee currently consists of Messrs. Tucker, as chairman, Holec, Menkes, Soran and Waldron. The Board of Directors has determined that all members of the Audit Committee are independent as that term is defined in the applicable listing standards of The NASDAQ Stock Market. In addition, the Board of Directors has determined that Mr. Tucker has the financial experience required by the applicable NASDAQ listing standards and is an audit committee financial expert as defined by applicable regulations of the Securities and Exchange Commission. The Audit Committee oversees the Company s financial reporting process by, among other things, reviewing accounting and auditing principles and procedures of the Company with a view toward providing for adequate internal controls and reliable financial records, reviewing and reassessing the Audit Committee Charter annually, recommending and taking action to oversee the independence of the independent auditors, selecting and appointing the independent auditors and approving all fees of, as well as the provision of any non-audit services by, the Company s independent auditors. The Audit Committee met eight times and took action, by written action in lieu of a meeting, once during the year ended March 31, 2004. The responsibilities of the Audit Committee are set forth in the Audit Committee Charter, adopted by the Board in August 2000, and amended and restated most recently on June 2, 2004. A copy of the Amended and Restated Audit Committee Charter is included as Exhibit A to this Proxy Statement.

REPORT OF THE AUDIT COMMITTEE

The role of the Audit Committee is one of oversight of the Company s management and outside auditors in regard to the Company s financial reporting and internal controls with respect to accounting and financial reporting. The Audit Committee also considers and pre-approves any non-audit services provided by the Company s outside auditors to ensure that no prohibited non-audit services are provided by the outside auditors and that the outside auditors independence is not compromised. By its Charter, the Audit Committee consists of at least three independent non-employee directors. The Audit Committee currently consists of four independent non-employee directors of the Company. In performing its oversight function, the Audit Committee relied upon advice and information received in its discussions with the Company s management and independent auditors.

The Audit Committee has (i) reviewed and discussed the Company s audited financial statements as of and for the fiscal year ended March 31, 2004 with the Company s management; (ii) discussed with the Company s independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61 regarding communication with audit committees; (iii) received the written disclosures and the letter from the Company s independent auditors required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees); and (iv) discussed with the Company s independent auditors their independence from the Company and has considered the compatibility of non-audit services with the auditors independence.

Based on the review and discussions with management and the Company s independent auditors referred to above, the Audit Committee recommended to the Board that the audited financial statements be included in the Company s Annual Report on Form 10-K for the fiscal year ended March 31, 2004 for filing with the Commission.

AUDIT COMMITTEE
Raymond A. Tucker, Chairman
Kenneth H. Holec
Philip E. Soran
Steven C. Waldron

Compensation Committee

The Company also maintains a Compensation Committee to provide recommendations concerning salaries, stock options and incentive compensation for officers and employees of the Company. The Compensation Committee administers the Company s InfoAccess, Inc. 1995 Stock Option Plan, Optika Imaging Systems, Inc. 1994 Stock Option/ Stock Issuance Plan, 1994-1997 Employee Stock Option and Compensation Plan, 1999 Employee Stock Option and Compensation Plan, Optika Inc. 2000 Non-Officer Stock Incentive Plan, 2000 Stock Incentive Plan, 2000 Employee Stock Incentive Plan, Optika Inc. 2003 Equity Incentive Plan, and Employee Stock Purchase Plan. The members of the Compensation and Stock Option Committee are Messrs. Holec, as chairman, Menkes, Soran, Tucker and Waldron. The Compensation Committee met four times, during the year ended March 31, 2004.

Corporate Governance and Nominating Committee

In accordance with its Charter, the Corporate Governance and Nominating Committee monitors and recommends to the Board corporate governance principles and business conduct guidelines, including overseeing the process for selecting director candidates, recommending to the Board director nominees and reviewing and recommending as necessary, changes in the size and composition of the Board and its committees. The Charter of the Corporate Governance and Nominating Committee is available on the Company s website. The Corporate Governance and Nominating Committee members are Messrs. Waldron, as chairman, Holec, Menkes, Soran and Tucker. The Corporate Governance and Nominating Committee met four times during the year ended March 31, 2004.

The Corporate Governance and Nominating Committee has established a policy that it will consider persons recommended by shareholders in selecting nominees for election to the Board. Shareholders who wish to suggest qualified candidates should write to: Stellent, Inc., 7777 Golden Triangle Drive, Eden Prairie, Minnesota 55344, Attention: Corporate Governance and Nominating Committee, c/o Secretary. All recommendations should state in detail the qualifications of such persons for consideration by the Corporate Governance and Nominating Committee and should be accompanied by an indication of the person s willingness to serve.

PRINCIPAL SHAREHOLDERS

The Company has outstanding one class of voting securities, common stock, $0.01 par value, of which 26,595,168 shares were outstanding as of the close of business on the Record Date. Each share of common stock is entitled to one vote on all matters put to a vote of shareholders.

The following table sets forth, as of June 25, 2004, certain information regarding the beneficial ownership of shares of common stock by each director of the Company, each of the executive officers listed in the Summary Compensation Table, each person known to the Company to be the beneficial owner of more than 5% of the outstanding shares and all directors and executive officers as a group. Beneficial ownership is calculated in accordance with regulations established by the Securities and Exchange Commissions, and includes share that may be purchased under options that are exercisable as of June 25, 2004, or that become exercisable within 60 days after June 25, 2004. Except as otherwise indicated, each shareholder has sole voting and investment power with respect to the shares beneficially owned.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Outstanding Shares
Robert F. Olson(1)	2,255,764	8.5%
Becker Capital Management, Inc.(2)	2,044,500	7.7%
SAFECO Asset Management Company(3)	1,750,503	6.6%
SAFECO Corporation(3)	1,750,503	6.6%
David S. Batt(4)	52,256	*
Frank A. Radichel(5)	150,980	*
Daniel P. Ryan(6)	217,290	*
Gregg A. Waldon(7)	273,956	1.0%
Kenneth H. Holec(8)	175,314	*
Alan B. Menkes(9)	25,300	*
Philip E. Soran(9)	20,000	*
Raymond A. Tucker(10)	78,333	*
Steven C. Waldron(9)	94,999	*
All directors and executive officers as a group (10 persons)(11)	3,344,192	12.1%

* Less than 1%.

(1) Includes 85,714 shares owned by Mr. Olson s spouse, of which Mr. Olson disclaims beneficial ownership. Mr. Olson s address is 7777 Golden Triangle Drive, Eden Prairie, Minnesota 55344.

(2) Based on information reported to the commission in a Schedule 13G filed by Becker Capital Management, Inc. on February 3, 2004. The principal business address of Becker Capital Management, Inc. is 1211 SW 5th Avenue, Suite 2185, Portland, Oregon 97204. Becker Capital Management, Inc. has voting power with respect to 1,856,300 of the shares and sole investment power with respect to all of the shares.

(3) Based on information reported to the Commission in a Schedule 13G filed by SAFECO Asset Management Company and SAFECO Corporation on February 6, 2004. The principal business address of SAFECO Asset Management Company is 601 Union Street, Suite 2500, Seattle, Washington 98101. The principal business address of SAFECO Corporation is Safeco Plaza, Seattle, Washington 98185.

SAFECO Corporation beneficially owns the same 1,750,503 shares listed as owned by SAFECO Asset Management Company. SAFECO Asset Management Company and SAFECO Corporation have shared voting power and shared investment power with respect to all of the shares listed above next to their respective names. SAFECO Corporation disclaims beneficial ownership of all of the shares.

(4) Includes 50,000 shares issuable upon the exercise of options.

(5) Includes 150,730 shares issuable upon the exercise of the options.

(6) Includes 207,290 shares issuable upon the exercise of the options.

(7) Includes 263,956 shares issuable upon the exercise of the options.

(8) Includes 84,999 shares issuable upon the exercise of options and includes 875 shares owned by Mr. Holec s spouse and 9,440 shares owned by Mr. Holec s children.

(9) Represents shares issuable upon the exercise of options.

(10) Includes 68,333 shares issuable upon the exercise of the options.

(11) Includes the shares issuable upon the exercise of the options described in the footnotes above.

COMPENSATION OF EXECUTIVE OFFICERS

The following table presents the compensation for each of the last three fiscal years of the Company s Chief Executive Officer in the fiscal year ended March 31, 2004 and each of the four other most highly compensated executive officers of the Company for the fiscal year ended March 31, 2004 (the Named Executive Officers).

SUMMARY COMPENSATION TABLE

		Annual Compensation		Long-Term Compensation Awards	
Name and Principal Position	Fiscal Year	Salary($)	Bonus($)	Securities Underlying Options(#)	All Other Compensation($)(1)
Robert F. Olson	2004	240,000	90,000		3,535
Chief Executive Officer	2003	100,000			3,110
and President(2)	2002	162,500	12,500		3,945
Gregg A. Waldon	2004	195,000	40,000		11,753
Executive Vice President,	2003	165,000		160,000	12,043
Chief Financial Officer,	2002	165,000	40,000	60,000	13,913
Treasurer and Secretary					
Daniel P. Ryan	2004	195,000	40,000		3,328
Executive Vice President	2003	175,000		135,000	3,876
of Marketing and Business					
Development	2002	175,000	45,000	60,000	5,847
Frank A. Radichel	2004	195,000	30,000		3,777
Executive Vice President	2003	150,000		110,000	9,998
of Research and Development	2002	150,000	22,500	40,000	6,402
David S. Batt	2004	216,827	60,000		180
Executive Vice President,	2003	20,397		150,000	
Global Field Operations(3)	2002				

(1) Represents term life insurance premiums, vehicle allowances, and 401(k) employer matching contributions.

(2) Mr. Olson assumed the role of Chief Executive Officer and President on March 31, 2004. During the fiscal year ended March 31, 2002, he served as Chief Executive Officer until July 26, 2001.

(3) Mr. Batt assumed the role of Executive Vice President, Global Operations on February 25, 2003. Mr. Batt left the Company in May 2004.

There were no grants of stock options during the fiscal year ended March 31, 2004 to the Named Executive Officers.

The following table summarizes option exercises during the year ended March 31, 2004 and provides information regarding the number of all unexercised stock options held by the Named Executive Officers as of March 31, 2004, the end of the Company s last fiscal year:

AGGREGATE OPTION EXERCISES IN LAST FISCAL YEAR AND FISCAL YEAR-END OPTION VALUES

	Shares Acquired on Exercise	Value Realized($)(1)	Number of Shares Underlying Unexercised Options at Fiscal Year End(#)		Value of Unexercised In-The-Money Options at Fiscal Year End($)(2)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Robert F. Olson						
Gregg A. Waldon			214,997	140,003	177,016	199,334
Daniel P. Ryan			166,664	123,336	135,250	179,500
Frank A. Radichel			129,563	97,251	224,136	159,667
David S. Batt			50,000	100,000	150,000	300,000

(1) Calculated on the basis of the fair market value of the underlying shares of common stock on the date of exercise minus the exercise price.

(2) Calculated on the basis of the fair market value of the underlying shares of common stock at March 31, 2004, as reported by The NASDAQ National Market, of $7.47 per share, minus the per share exercise price, multiplied by the number of shares underlying the option.

EQUITY COMPENSATION PLAN INFORMATION

The following table provides information as of March 31, 2004 for compensation plans under which equity securities may be issued.

	(a)	(b)	(c)
Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity Compensation Plans Approved by Security Holders	3,473,299	$11.09	1,164,816(1)
Equity Compensation Plans Not Approved by Security Holders	2,170,253	$ 8.42	804,812(2)
Total	5,643,552	$10.06	1,969,628

(1) Includes securities available for future issuance under shareholder approved compensation plans other than upon the exercise of an outstanding option, warrant or right, as follows: 267,815 shares under the 1994-1997 Stock Option Plan, 90,000 shares under the 1997 Director Stock Option Plan, and 807,001 under the 2000 Stock Incentive Plan.

(2)

Includes securities available for future issuance under non-shareholder approved compensation plans other than upon the exercise of an outstanding option, warrant or right, as follows: 706,021 shares under the 1999 Stock Option Plan and 98,791 under the 2000 Employee Stock Incentive Plan.

EQUITY COMPENSATION PLANS NOT APPROVED BY SECURITY HOLDERS

Stellent, Inc. 1999 Employee Stock Option and Compensation Plan

In November 1999, the Board adopted the 1999 Employee Stock Option and Compensation Plan (the 1999 Plan). The shareholders of the Company have not approved the 1999 Plan.

Shares Subject to the 1999 Plan. As of March 31, 2004, 232,497 shares of the Company s common stock were subject to outstanding awards granted and 706,021 shares remained available for future award grants under the 1999 Plan. If any award granted pursuant to the 1999 Plan expires or terminates without being exercised in full, the unexercised shares released from such award will again become available for issuance under the 1999 Plan. The number of shares available for future grants and previously granted but unexercised awards are subject to adjustment for any future stock dividends, splits, combinations, or other changes in capitalization as described in the 1999 Plan.

Plan Administration. The 1999 Plan is administered by a committee of two or more members of the Board or if the Board has not designated a committee, the Board will constitute the committee and administer the 1999 Plan.

Eligibility. All employees of the Company and its subsidiaries who are not also officers or directors of the Company, and consultants to the Company or its subsidiaries, are eligible to receive awards under the 1999 Plan.

Incentive and Non-Statutory Stock Options. Both incentive stock options and non-statutory stock options may be granted under the terms of the 1999 Plan. However, since the 1999 Plan has not been approved by the Company s shareholders, under the Internal Revenue Code of 1986, as amended, incentive stock options may not be granted under the 1999 Plan. The exercise price of an option is determined by the committee. The exercise price may not be less than 100% of the fair market value, as defined in the 1999 Plan, of the Company s common stock on the date the option is granted. Stock options may be granted and exercised at such times as the committee may determine, provided that the term shall not exceed ten years and one day from the date of grant. The purchase price for common stock purchased upon the exercise of stock options may be payable in cash, uncertified or certified check, bank draft, by delivery of shares of Company common stock having a fair market value on the date the option is exercised equal to all or any part of the option price of the stock being purchased, by instructing the Company to withhold from the shares of common stock issuable upon exercise of the stock option shares having fair market value on the date the option is exercised equal to all or any part of the option price of the stock being purchased or any other manner authorized by the committee.

Stock Appreciation Rights. A stock appreciation right may be granted under the 1999 Plan with or without reference to any related stock option. The recipient of a stock appreciation right receives, without payment to the Company, a number of shares of common stock, cash or any combination thereof, the amount of which is determined by dividing: (x) the number of shares of common stock as to which the stock appreciation right is exercised multiplied by the amount by which the fair market value of the shares on the exercise date exceeds the purchase price of shares of common stock under the related stock option or, if there is no related stock option, an amount determined by the committee at the time of grant, by (y) the fair market value of a share of common stock on the exercise date.

Performance Shares. A performance share consists of an award that is paid in shares of common stock. Performance shares entitle the recipient to payment in amounts determined by the committee based upon the achievement of specified performance targets during a specified term. Performance shares may be subject to additional terms and conditions as determined by the committee.

Restricted Stock and Other Stock-Based Awards. The committee may grant, either alone or in combination with other types of awards, restricted stock and other stock-based awards. Restricted stock may contain such restrictions, including provisions requiring forfeiture and imposing restrictions on stock transfer, as the committee may determine. To enforce the restrictions imposed by the committee, a recipient must enter into an agreement with the Company setting forth the conditions of the grant.

Acceleration of Awards, Lapse of Restrictions, Forfeiture. The committee may provide in a recipient s agreement for the lapse or waiver of restrictions or conditions on restricted stock or other awards, or acceleration of the vesting of stock options, stock appreciation rights and other awards, or acceleration of the term with respect to which the achievement of performance targets for performance shares is determined in the event of a fundamental change in the corporate structure of the Company, or the replacement of the majority of the Board members within a period of less than two years by directors not nominated and approved by the Board, or, upon a change of control of the Company or a recipient s death, disability or retirement. Options and stock appreciation rights automatically vest upon death or disability, unless otherwise provided in a recipient s agreement, or upon the occurrence of a change in control of the Company. If a recipient s employment or other relationship with the Company or its affiliates is terminated for any reason other than death or disability, then any unexercised portion of such recipient s award will generally be forfeited, except as provided in the 1999 Plan or such recipient s agreement or by the committee.

Adjustments, Modifications, Termination. The 1999 Plan gives the committee discretion to adjust the kind and number of shares available for awards or subject to outstanding awards, the limitations on the number and type of securities that may be issued to an individual recipient, the exercise price of outstanding stock options, and performance targets for, and payments under, outstanding awards of performance shares upon mergers, recapitalizations, stock dividends, stock splits or similar changes affecting the Company. Adjustments in performance targets and payments on performance shares are also permitted upon the occurrence of such other events as may be specified by the committee. The 1999 Plan also gives the Board the right to terminate, suspend or modify the 1999 Plan. Amendments to the 1999 Plan are subject to shareholder approval, however, if needed to comply with applicable laws or regulations. The committee may generally also alter or amend any agreement covering an award granted under the 1999 Plan to the extent permitted by law. Under the 1999 Plan, the committee generally may cancel outstanding stock options and stock appreciation rights in exchange for the payment of cash or other consideration to the recipients upon dissolutions, liquidations, mergers, statutory share exchanges or similar events involving the Company.

Stellent, Inc. 2000 Employee Stock Incentive Plan

In May 2000, the Board adopted the 2000 Employee Stock Incentive Plan (the 2000 Employee Plan). The Plan was amended in October 2001. The 2000 Employee Plan has not been approved by the shareholders of the Company.

Shares Subject to the 2000 Employee Plan. As of March 31, 2004, 1,909,298 shares of the Company s common stock were subject to outstanding awards granted and 98,791 shares remained available for future award grants under the 2000 Employee Plan. If any award granted pursuant to the 2000 Employee Plan expires or terminates without being exercised in full, the unexercised shares released from such award will again become available for issuance under the 2000 Employee Plan. The number of shares available for future grants and previously granted but unexercised awards are subject to adjustment for any future stock dividends, splits, combinations, or other changes in capitalization as described in the 2000 Employee Plan.

Plan Administration. The 2000 Employee Plan is administered by a committee of three or more members of the Board or if the Board has not designated a committee, the Board will constitute the committee and administer the 2000 Employee Plan. The committee may delegate all or any part of its responsibilities under the 2000 Employee Plan to officers or other persons for purposes of determining and administering awards.

Eligibility. All employees of the Company and its affiliates who are not officers or directors of the Company are eligible to receive awards under the 2000 Employee Plan. Awards may be granted by the committee to any individuals or entities who are not employees of the Company, but who provide services to the Company or its affiliates as a consultant or adviser.

Non-Qualified Stock Options. Non-qualified stock options may be granted under the 2000 Employee Plan. The exercise price of an option is determined by the committee. The exercise price for stock options may not be less than 100% of the fair market value of the Company s common stock on the date the option is granted. Stock options may be granted and exercised at such times as the committee may determine. No more than 500,000 shares of common stock underlying stock options and stock appreciation rights may be granted to any one person in any year. The purchase price for common stock purchased upon the exercise of stock options may be payable in cash, in the Company s common stock having a fair market value on the date the option is exercised equal to the option price of the stock being purchased, or a combination of cash and stock, as provided in each stock option agreement. In addition, the committee may permit recipients of stock options to simultaneously exercise options and sell the common stock purchased upon exercise and to use the sale proceeds to pay the purchase price.

Stock Appreciation Rights and Performance Shares. The recipient of a stock appreciation right receives all or a portion of the amount by which the fair market value of a specified number of shares, as of the date the right is exercised, exceeds a price specified by the committee at the time the right is granted. The price specified by the committee must be at least 100% of the fair market value of the Company s common stock on the date the right is granted. No more than 500,000 shares of stock underlying stock appreciation rights and stock options may be awarded to any one person in any year. Performance shares entitle the recipient to payments in amounts determined by the committee based upon the achievement of specified performance targets during a specified term. No person may receive performance shares relating to more than 500,000 shares of the Company s common stock in any year. Payments with respect to stock appreciation rights and performance shares may be paid in cash, shares of the Company s common stock, or a combination of cash and shares, as determined by the committee.

Restricted Stock and Other Stock-Based Awards. The committee may grant, either alone or in combination with other types of awards, restricted stock and other stock-based awards. Restricted stock may contain such restrictions, including provisions requiring forfeiture and imposing restrictions on stock transfer, as the committee may determine and set forth in each restricted stock agreement. No award of restricted stock may vest earlier than one year from the date of grant, except as provided in each restricted stock agreement. No more than 400,000 of the shares of common stock subject to the 2000 Employee Plan may be granted as restricted stock subject to performance conditions or subject to other stock-based awards.

Acceleration of Awards, Lapse of Restrictions, Forfeiture. The committee may provide in an award agreement for the lapse or waiver of restrictions or conditions on restricted stock or other awards, or acceleration of the vesting of stock options, stock appreciation rights and other awards, or acceleration of the term with respect to which the achievement of performance targets for performance shares is determined in the event of a fundamental change in the corporate structure of the Company, upon a change of control of the Company or upon a recipient s death, disability or retirement. If a recipient s employment or other relationship with the Company or its affiliates is terminated for any reason, then any unexercised portion of such employee s award will generally be forfeited, except as provided in that employee s award agreement or by the committee.

Adjustments, Modifications, Termination. The 2000 Employee Plan gives the committee discretion to adjust the kind and number of shares available for awards or subject to outstanding awards, the limitations on the number and type of securities that may be issued to an individual participant, the exercise price of outstanding stock options, and performance targets for, and payments under, outstanding awards of performance shares upon a merger, recapitalization, stock dividend, stock split or similar change affecting the Company. Adjustments in performance targets and payments on performance shares are also permitted upon the occurrence of such other events as may be specified by the committee. The 2000 Employee Plan also gives the Board the right to terminate, suspend or modify the 2000 Employee Plan. Amendments to the 2000 Employee Plan are subject to shareholder approval, however, only if needed to comply with any applicable law or regulation. Termination, suspension or modification of the 2000 Employee Plan generally may not materially and adversely affect any right an individual participant may have acquired before the termination, suspension or modification, unless otherwise provided in that individual s award agreement, or otherwise, or required by law. The Company (with the approval of the committee) may amend any agreement covering an award granted under the 2000 Employee Plan unless the committee determines that the amendment would be materially adverse to the recipient and is not required by law. Under the 2000 Employee Plan, the committee generally may cancel outstanding stock options and stock appreciation rights in exchange for the payment of cash or other consideration to the recipients upon dissolutions, liquidations, mergers, statutory share exchanges or similar events involving the Company.

InfoAccess Plan

In connection with the acquisition of InfoAccess, Inc. (InfoAccess) by the Company on September 29, 1999, the Company assumed the InfoAccess, Inc. 1995 Stock Option Plan (the InfoAccess Plan). The InfoAccess Plan was approved by the shareholders of InfoAccess on May 10, 1995, but has not been approved by the shareholders of the Company.

Shares Subject to the InfoAccess Plan. As of March 31, 2004, 28,458 shares of the Company s common stock were subject to outstanding awards granted under the InfoAccess Plan. No additional stock options may be granted under the InfoAccess Plan.

Plan Administration. The InfoAccess Plan is administered by the Board or a committee appointed by the Board. The Board or committee has the authority, subject to the terms of the InfoAccess Plan, to interpret provisions of the InfoAccess Plan and the options granted under it and to adopt rules and regulations for administering the InfoAccess Plan.

Eligibility. All employees of InfoAccess were eligible to receive option grants under the InfoAccess Plan prior to their adoption by the Company. Non-statutory stock options could be granted under the InfoAccess Plan prior to its adoption by the Company to individuals or entities that were not employees of InfoAccess, Inc., but that provided services to InfoAccess, Inc. or its affiliates as consultants or independent contractors.

Types of Awards under the InfoAccess Plans. Both incentive stock options and non-statutory stock options could be granted under the InfoAccess Plan. The exercise price of an option was determined by the committee of the board of directors of InfoAccess administering the InfoAccess Plan at the time of the grant. The exercise price for all options under the InfoAccess Plan could not be less than 100% of the fair market value of the shares on the date of the grant. The exercise price for incentive stock options granted to persons who beneficially owned 10% or more of the outstanding stock of InfoAccess at the time of the grant could not be less than 110% of the fair market value of the shares on the date of grant. The number of shares and purchase price of each recipient s option grant has been adjusted to reflect the exchange ratio of InfoAccess shares for the Company s shares in the merger of the companies. Stock options were granted and may be exercised at such times as the committee of the board of directors of InfoAccess administering the InfoAccess Plans at the time of the grant determined; however, under the InfoAccess Plan, if no exercise schedule is set forth in a recipient s agreement, 25% of the shares subject to the option shall ves